

December 20, 2004

John,

Enclosed is an offer from US Beverage, Inc. to buy back your shares of stock.

The reasons for this offer are as follows:

1. Failure to meet corporate financial objectives (budget) for fiscal years 2003 and 2004.
2. Failure to meet with partners on a regular and effective basis.
3. Failure to implement, develop, and manage an effective sales team. Limited participation in weekly sales meetings.
4. Failure to comply with decisions made by the Board of Directors to relocate to the Montgomery area in a timely fashion
5. Competing with US Beverage, Inc. in US Beverage markets with competitive products while on USB time and payroll.
6. Unable to meet a travel schedule in compliance with corporate directives or budgetary goals
7. Philosophical differences on growth and risk, especially in the area of borrowing money.

The components of the offer are as follows:

- A. Cash items in the business.
 - 1 Cash equity in the building.
 - 2 Credit card payoff.
 - 3 Commissions due.
 - 4 Expenses due.
- B. Benefits
 - 1 Life Insurance
 - 2 Health Insurance with family coverage.
- C. Liabilities
 - 1 Refinance or remove personal guarantees.
- D. Purchase of Stock

The basic offer is as follows:

- 1 Reimburse equity in the property at close-\$11,000.00* 12000⁰⁰ + 2000⁰⁰
- 2 Pay accumulated expenses and interest at close-\$15,000.00* - 20,000⁰⁰
- 3 Pay commissions owed at close-currently \$20,000.00**
- 4 Pay off credit cards with accrued interest-\$16,000.00* -
- 5 Pay for life insurance policy for the term of the payoff agreement-\$1,384.00 per year*
- 6 Pay health insurance with family coverage for a period of one year-\$7,440.00 per year*
- 7 Removal of all financial liabilities within five years of execution of this agreement
- 8 Purchase of stock-\$200,000.00 over 5 years



- a. \$150,000.00 for direct purchase of stock***
- b. \$50,000.00 for a non compete clause

US Beverage, Inc. will disburse monies for the purchase of stock as follows:

1. \$46,000.00 paid to John at closing
2. Credit cards paid at closing-\$16,000.00
3. Life Insurance-continuous payment of premiums for 5 years or length of term of the agreement, policy may be converted to a personal policy at the end of the term of the agreement
4. Health Insurance-continuous payment of premiums for one year immediately following the execution of the agreement.
5. Stock to be financed over 5 year period with a monthly payment of \$3334.00 to begin on the fifteenth day of the first full month following the execution of the agreement.

6. *Twice Above / Cash to proper / Level of ongoing involvement*

TOTAL VALUE OF SALE

Purchase of Stock	\$200,000.00
Health Insurance	\$7,440.00
Life Insurance	<u>\$6,920.00</u>
Totals	\$214,360.00
 Cash at Close	 <u>\$46,000.00</u>
Total Value	\$260,360.00

* indicates approximate valuations, specific valuations TBD

** indicates approximate commissions due as of December 20, 2004, final calculations figured at close will alter cash paid at close

*** this amount depends on retaining Spectrum Stores, Inc., SuperStop Convenient Stores, and SuperMart Convenience Stores for a period of one year